



# PUBLICATIONS

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## THE NEED FOR A GARAGE POLICY

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### *Are you exposed to an uninsured loss?*

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Liability resulting from the use or operation of an automobile is provided under an Owners Automobile Policy. However, section 1 of the Ontario Automobile Policy (OAP1), subsection 1.8.4., reads as follows: ***“Garage Workers Not Covered – No person who sells, repairs, maintains, stores, services, or parks automobiles as part of a business is covered by this policy while involved in conducting that business, unless the person in fact owns the automobile involved in an incident.”***

If you are currently involved in any of those activities or are considering them as a **revenue generating venture** and you have not purchased either a Garage Automobile

or Garage Liability Policy, you may be exposing your organization to an uninsured loss.

Some individuals are under the impression that liability for all activities and operations of their organization is covered under their Liability Policy. Although, we do cover all activities and operations usual to your organization, the coverage has certain limitations and exclusions that are typical of all general liability insurance policies. For example, liability for use or operation of your own licensed automobiles requires a separate Automobile Policy. Similarly, if your organization is considering providing any of the above garage services, a Garage Policy is required.

A couple of common examples of operations that our clients are considering

where such a policy is necessary include:

- (1) A Transit Department that employs its own mechanics to repair and maintain buses that are owned by **another** municipality or business for a fee. (Note: This should not be confused with those that only repair their **own** vehicles.)
- (2) A Hospital that decides to offer a Valet Parking Service in an attempt to generate some revenue.

If you are not certain whether or not your organization requires this additional coverage, please speak with your local broker or call our HELP LINE @ 1-800-265-4000.



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